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7 **City of Lynnwood**

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9 **Transportation Benefit District**

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15 **2015 Annual Report**

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21 October 2016

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26 *RCW 36.73.160(2) - A district shall issue an annual report, indicating the status of*  
27 *transportation improvement costs, transportation improvement expenditures, revenues, and*  
28 *construction schedules, to the public and to newspapers of record in the district.*

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30 *TBD Charter 6.06 – In addition, the District, upon approval by the Board, shall issue an*  
31 *annual report, indicating the status of transportation improvement costs, transportation*  
32 *improved expenditures, revenues, and construction schedules, to the public and the*  
33 *newspapers of record in the District (the “Plan”). “Newspapers of record in the District”*  
34 *shall include all newspapers which have filed a request for public notice of meetings with the*  
35 *District.*  
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## **Lynnwood TBD Background**

A Transportation Benefit District (TBD) is a Quasi-municipal corporation & independent taxing district created for the sole purpose of funding transportation improvements within the district. A TBD is created by ordinance of legislative authority (county or city) and may include other counties, cities, port districts, or transit districts through Inter-local agreements.

A law passed by the Washington State Legislature in 2007 allows city or county governments to create local transportation benefit districts and impose a local vehicle registration fee or other funding sources (such as sales tax) to fund local transportation projects. TBDs in Washington State have primarily been funded by a vehicle registration fee, but a few cities have implemented a sales tax funded TBD. As of October 2016, 54 cities in Washington State have approved a vehicle registration fee funded TBD.

Following a public hearing on May 24<sup>th</sup> 2010, the Lynnwood City Council approved Ordinance #2837 forming the Lynnwood Transportation Benefit District and adopting a new chapter to the Lynnwood Municipal Code, 12.14, entitled "Transportation Benefit District". The governing board of the Transportation Benefit District is the Lynnwood City Council, acting in an ex officio and independent capacity. The ordinance specifies that the boundaries for the TBD be coextensive with the City limits.

Following a public hearing on November 29<sup>th</sup> 2010 the TBD Board adopted TBD Ordinance #2 enacting a \$20 vehicle registration fee for each eligible vehicle registered in Lynnwood. The \$20 vehicle registration fee went into effect on July 1<sup>st</sup> 2011 and generates approximately \$550,000 annually for transportation projects. The projects to be funded (in whole or in part) include:

- City of Lynnwood Street Fund 111 (operation and maintenance)
- Pavement Overlay Program
- Traffic Signal Rebuild Program
- Traffic Signal Reconstruction: Scriber Lake Road at 196<sup>th</sup> Street SW (complete)
- 48<sup>th</sup> Avenue W Sidewalk: 183<sup>rd</sup> Place SW to 180<sup>th</sup> Street SW (complete)

Although it is a separate legal entity from the City of Lynnwood, the TBD is reported as a blended component unit in the City's annual financial statements because its sole purpose is for the construction, preservation, maintenance and operation of City streets.

## **2015 Meetings Summary**

The TBD Board held eight meetings in 2015. A brief summary of the meetings are listed as follows:

### **January 20, 2015 Special Meeting**

- Presentation: 2014 general election proposition 1 results
- Presentation and discussion: transportation funding status, needs and potential funding sources

### **March 9, 2015 Regular Meeting**

- Presentation and discussion: transportation funding status, needs and potential funding sources

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2 **May 4, 2015 Special Meeting**

- 3 • Executive session  
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5 **May 11, 2015 Special Meeting**

- 6 • Presentation, discussion and possible final action or other disposition: transportation  
7 funding status and needs, potential funding sources and next steps for potential  
8 funding, including but not limited to options for possible ballot measure  
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10 **May 26, 2015 Special Meeting**

- 11 • Consideration, discussion and possible final action or other disposition: rescheduling  
12 June 4, 2015 special meeting  
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14 **June 10, 2015 Special Meeting**

- 15 • Presentation, discussion and possible final action or other disposition: transportation  
16 funding status and needs, potential funding sources and next steps for potential  
17 funding, including but not limited to options for possible ballot measure  
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19 **July 8, 2015 Special Meeting**

- 20 • Public Hearing - transportation funding status and needs, potential funding sources  
21 and next steps for potential funding, including but not limited to options for possible  
22 ballot measure including but not limited to imposing a sales and use tax and/or vehicle  
23 registration fee funding options  
24 • Presentation, discussion and possible final action or other disposition on Resolution #7  
25 and other various documents and procedures associated with a ballot proposition to  
26 impose a sales and use tax and/or vehicle registration fee funding options  
27

28 **November 18, 2015 Special Meeting**

- 29 • Presentation, discussion and approval of the 2014 TBD Annual Report  
30 • Public hearing, consideration, discussion and possible action on Ordinance #9 – 2016  
31 Budget  
32 • Presentation, discussion and possible final action or other disposition: transportation  
33 funding status and needs, potential funding sources and next steps for potential  
34 funding, including but not limited to options for possible ballot measure  
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36 **2015 Revenue**

37 The TBD's revenues for the year ending December 31, 2015 are as follows:  
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39	\$548,511	Vehicle Registration Fees
40	\$628	Interest
41	\$549,139	Total Revenues

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43 **2015 Expense**

44 2015 TBD expenses consist of administrative expenses, TBD insurance (through the Cities  
45 Insurance Association of Washington (CIAW)), consultant services, and projects. The TBD's  
46 administrative expenses consist of staff time (Public Works, Finance, and Legal), public

meeting notices, and meeting minute recording/development. Total 2015 TBD expenditures are summarized as follows:

\$4,442	Administration
\$34,667	Legal
\$737	Professional Services
\$550,000	Projects
<hr/>	
\$589,846	Total Expenditures

#### **Fund Balance**

The 2015 TBD ending fund balance is summarized as follows:

\$108,156	Beginning Fund Balance
\$549,139	Revenues
(\$589,846)	Expenditures
<hr/>	
\$67,449	Ending Fund Balance

A Schedule of Revenues, Expenditures and Changes in Fund Balance is provided on the last page of this report.

#### **TBD Project Expenses and Schedules**

Projects identified in TBD Ordinance #2 for potential TBD funding include:

- 1) City of Lynnwood Street Fund 111  
Expenses: Varies year to year  
2015 TBD Funding Contribution: \$150,000  
Schedule: Ongoing
- 2) Pavement Overlay Program  
Expenses: Varies year to year  
2015 TBD Funding Contribution: \$400,000  
Schedule: Various projects from year to year
- 3) Traffic Signal Rebuild Program  
Expenses: Varies year to year  
2015 TBD Funding Contribution: No TBD Funds were expended on this project in 2015  
Schedule: Ongoing
- 4) Traffic Signal Reconstruction: Scriber Lake Road at 196<sup>th</sup> Street SW  
Expenses: \$733,285  
2015 TBD Funding Contribution: No TBD Funds were expended on this project.  
Schedule: Project was completed in 2014
- 5) 48<sup>th</sup> Avenue W Sidewalk: 183<sup>rd</sup> Place SW to 180<sup>th</sup> Street SW  
Expenses: \$1,453,275  
2015 TBD Funding Contribution: None in 2015 (\$85,000 expended in 2013)  
Schedule: Project was completed in 2014

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Schedule of Revenues, Expenditures, and  
Changes in Fund Balances City of Lynnwood, Washington  
TRANSPORTATION BENEFIT DIST  
For the Year Ended December 31, 2015

	Actual
<b>REVENUES</b>	
Annual Vehicle Registration Fees	\$ 548,511
Interest	628
<b>TOTAL REVENUES</b>	<u>\$ 549,139</u>
<b>EXPENDITURES</b>	
Administration Expenditures	\$ 4,442
Legal	34,667
Insurance	-
Professional Services	737
Projects - Streets & Overlays	550,000
<b>TOTAL EXPENDITURES</b>	<u>\$ 589,846</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (40,707)
<b>OTHER FINANCING SOURCES (USES)</b>	
Total other financing source (uses)	<u>-</u>
Net change in fund balances	(40,707)
Fund balances - beginning	<u>108,156</u>
Fund balances - ending	<u>\$ 67,449</u>

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